

Michigan Broadband Development Authority

The Michigan Broadband Development Authority (MBDA) is a new independent state agency created by the Michigan Legislature and signed into law by Governor Engler on March 14, 2002. Speeding the new agency's formation, the MBDA was capitalized by the state's Housing Authority through a \$50 million bond sale in April. The Authority's mission is to provide lowercost financing that will expand more affordable high-speed Internet services throughout Michigan.

The MBDA's II-member Governing Board is made up of the President and CEO of MBDA, the Vice President of MBDA, the State Treasurer, the Executive Director of the Michigan State Housing Development Authority, the head of the Michigan Economic Development Corporation and six fixed-term Governor-appointed members, with an equal number from both political parties.

WILLIAM ROSENBERG

SUZANNE COLE

SUZANNE DEES

JOEL FERGUSON

ROBERT FILKA

DR. TIMOTHY LAING

JIM LOGUE

MATTHEW MCLOGAN

CYRIL MOSCOW

DOUGLAS B. ROBERTS

DOUG ROTHWELL

HOW WILL THE MBDA FINANCING PROGRAMS WORK?

- The MBDA is authorized to issue investment grade, taxable and tax-exempt bonds to finance and facilitate the construction, operation and maintenance of broadband infrastructure in Michigan.
- Authority bonds will be repaid from earnings on the operations of broadband projects.
- The Authority will create a reserve capital account to secure notes and bonds of the Authority and may establish a capital reserve fund for the payment of the principal and interest of notes and bonds.
- MBDA will establish a seed capital loan program to make capital loans to persons planning to apply to the Authority for financing of broadband infrastructure.
- MBDA may enter into joint venture and partnership agreements with broadband developers and operators so long as the Authority does not use tax-exempt bonds to finance residential, business or other commercial customers. Taxable bonds may be issued for such projects.
- The Authority will focus on financing privately owned and operated broadband infrastructure backed by sizeable equity investments.

- The MBDA may acquire infrastructures in connection with joint ventures and partnerships where Authority participation is necessary to assure the availability of tax-exempt financing.
- The MBDA will look to partner and leverage other public grants and private resources to reduce risk and lower project costs.



Experts estimate that faster broadband deployment in Michigan will help create nearly 500,000 new jobs and \$440 billion of additional economic output over the next 20 years

—Gartner Consulting

EDUCATION

Access to courses and learning materials that otherwise would not be available in a region

HEALTHCARE

Diagnostic services and monitoring programs for rural or homebound patients; medical records, remote diagnosis and access to specialists otherwise not available in a region

TOURISM

Access to high-speed Internet services are no longer an extravagant service for travelers—such service is now expected by many travelers across the globe

BUSINESS

A recent survey by Dave Cole and the Center for Automotive Research asked...

"What percent of your suppliers are capable of doing e-business in the following categories and how many will you demand such capability from within the next two years?"

- . e-procurement: I0% today and 50% within 2 years
- 2. e-collaborative engineering and CAD CAM: 16% today and 70% within 2 years
- 3. e-inventory management: 20% today and 65% within 2 years







